

shall not be considered to be an expenditure under this part.

"(B) EXCEPTION RELATING TO TITLE XX PROGRAMS.—

All amounts paid to a State under this part that are used to carry out State programs pursuant to title XX shall be used only for programs and services to children or their families whose income is less than 200 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

"(e) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—

A State may reserve amounts paid to the State under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program funded under this part.

"(f) AUTHORITY TO OPERATE EMPLOYMENT PLACEMENT PROGRAM.—

A State to which a grant is made under section 403 may use the grant to make payments (or provide job placement vouchers) to State-approved public and private job placement agencies that provide employment placement services to individuals who receive assistance under the State program funded under this part.

"(g) IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—

A State to which a grant is made under section 403 is encouraged to implement an electronic benefit transfer system for providing assistance under the State program funded under this part, and may use the grant for such purpose.

"(h) USE OF FUNDS FOR INDIVIDUAL DEVELOPMENT ACCOUNTS.—

"(1) IN GENERAL.—A State to which a grant is made under

section 403 may use the grant to carry out a program to fund individual development accounts (as defined in paragraph

(2)) established by individuals eligible for assistance under the State program funded under this part.

"(2) INDIVIDUAL DEVELOPMENT ACCOUNTS.—

"(A) ESTABLISHMENT.—Under a State program carried out under paragraph (1), an individual

development.
account may be established by or on behalf of
an individual
eligible for assistance under the State
program operated
under this part for the purpose of enabling
the individual
to accumulate funds for a qualified purpose
described in
subparagraph (B).

"(B) QUALIFIED PURPOSE.—A qualified
purpose
described in this subparagraph is 1 or more of
the following:
as provided by the qualified entity providing
assistance
to the individual under this subsection:

"(i) POSTSECONDARY EDUCATIONAL EXPENSES.—
Postsecondary educational expenses paid
from an
individual development account directly to
an eligible
educational institution.

"(ii) FIRST HOME PURCHASE.—Qualified
acquisition
costs with respect to a qualified principal
residence
for a qualified first-time homebuyer, if paid
from an
individual development account directly to
the persons
to whom the amounts are due.